



FOREST OIL CORPORATION

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April 2, 2004

Mr. Tom Irwin, Commissioner
Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1400
Anchorage, Alaska 99501-35601400

Faxed To: (907) 269-8918

RE: Invitation to submit expressions of interest; Cook Inlet royalty in kind ("RIK") gas

Dear Commissioner Irwin:

Forest Oil Corporation ("Forest") appreciates the opportunity to respond to the solicitation of expressions of interest on the referenced subject from the State of Alaska, Department of Natural Resources ("DNR"). Forest encourages the DNR to proceed with an evaluation regarding the sale of the State royalty gas in the Cook Inlet. Forest is not prepared at this time to discuss price provisions or other parameters of such a sale that would be required to engage Forest's participation. However, Forest would nonetheless be very amenable to scheduling a time to discuss these factors with you and your staff, should DNR decide to proceed with a competitive RIK sale evaluation.

The availability of fuel gas, and at a price that will not adversely affect operating costs, will become an increasingly important issue regarding the producing life of the oil fields in Cook Inlet. Forest encourages DNR to consider this aspect in its evaluation as the State also has a stake in encouraging production from the oil fields in Cook Inlet for as long as is commercially feasible. I look forward to hearing from you or your staff regarding the DNR's progress in its evaluation of the feasibility of a RIK sale for its royalty share of Cook Inlet gas. Please feel free to call me if you have any questions regarding this submittal, or if you would like to schedule a meeting with Forest's management to discuss potential RIK sale provisions in detail.

Sincerely yours,

FOREST OIL CORPORATION

Jim Arlington
Jim Arlington
Land Manager

Post-it® Fax Note	7671	Date 04/02/04	# of pages 1
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DEPARTMENT OF
NATURAL RESOURCES

APR 02 2004

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